

**ORIGINAL**



J. Alan Smith, Private Citizen  
8166 Barranca Rd.  
Payson, Arizona 85541  
(928) 302-8341 Hm.  
(928) 951-2083 Wk.  
In Propria Persona

RECEIVED

2012 JUL 16 A 10:33

AZ CORP COMMISSION  
DOCKET CONTROL

**Before the Arizona Corporation Commission**

Arizona Corporation Commission

**DOCKETED**

**JUL 16 2012**

DOCKETED BY *JM*

**COMMISSIONERS**

Gary Pierce, Chairman  
Paul Newman, Commissioner  
Brenda Burns, Commissioner  
Bob Stump, Commissioner  
Sandra D. Kennedy, Commissioner

J. Alan Smith, Injured Party  
Complainant,

vs.

PAYSON WATER CO. INC./BROOKE  
UTILITIES INC.  
Respondents.

**DOCKET NO. W-03514A-12-0007**

**NOTICE OF COMPLAINANT'S  
INITIAL DISCOVERY AND  
DISCLOSURE  
ARCP RULE 26.1 AND  
AAC RULE R14-3-109 et. Seq.**

**NOW COMES**, the Complainant J. Alan Smith, to give Notice to the Commission and the Respondents of the Complainant's compliance with Rules of Discovery and Disclosure in these matters before the Commission. The Complainant makes presentment of his Initial Set of Discovery and Disclosure of Witnesses and Evidence and reserve the right to Supplement Discovery and Disclosure with additional documentation, reference and evidence. The Complainant discloses the following:

**WITNESSES:**

1. **Rebecca Wilder.** ACC Staff;
2. **Al Azemuca.** ACC Staff;
3. **J. Stephen Gehring.** 8157 W. Deadeye Rd., Payson, AZ. 85541; Telephone: (928) 474-9859;
4. **Connie Walzak.** ACC Staff Supervisor;
5. **Robert T. Hardcastle.** Brooke Utilities, Inc., 3101 State Rd., Gakersfield, CA. 93308; P. O. Box 82218, Bakersfield, CA. 93380; Telephone: (661) 663-7527 and (661) 633-7526; FAX No. (661) 633-7551;

6. **James Pearson.** Pearson Water Co. P. O. Box 193, 1120 Rodeo Rd., Williams, AZ 86046 Telephone: (928) 853-4755. FAX No. used: (928) 635-4811, (928)-779-7389 and (928)-635-5937;
7. **David Allred.** 804 Pinecone St. South, Payson, AZ. 85541; Telephone: (928) 478-6191;
8. **Mike Ploughe,** Town of Payson Geologist. Town of Payson Water Department, 303 N. Beeline Hwy. Payson, AZ. 85541; Telephone: (928) 474-5242.

**REFERENCE:**

**A. DOCUMENTATION ON THE PUBLIC RECORDS. Pursuant to AAC Codes R14-3-109 (T0, (U) & (Z):**

1. ACC Corporation 2011 Annual Report & Certificate of Disclosure File No. 0776551-6, Document No. 0366708 **Brooke Utilities, Inc:** a) Page 1, Item 4 *Character of Business*. "UTILITIES;" b) Page 2, Item 7 *Officers*. Robert Hardcastle, Charles McCann and Lee Jamison; c) Page 2, Item 8 *Directors*. Robert Hardcastle, Charles McCann and Lee Jamison;
2. ACC Corporation 2007 Annual Report & Certificate of Disclosure File No. 0822713-4, Document No. 02212963, **Payson Water Co. Inc:** a) Page 1, Item 4 *Character of Business*. Utility; b) Page 2, Item 6 *Shareholders*. Brooke Utilities, Inc.; c) Page 2, Item 7 *Officers*. Robert T. Hardcastle, Charles McCann and Lee Jamison; d) Page 2, Item 8 *Directors*. Robert T. Hardcastle, Charles McCann and Lee Jamison;
3. ACC Corporation 2011 Annual Report & Certificate of Disclosure File No. 0822713-4, Document No. 03719126, **Payson Water Co. Inc:** a) Page 1, Item 4 *Character of Business*. *Utility*; b) Page 2, Item 6 *Shareholders*. Brooke Utilities, Inc.; c) Page 2, Item 7 *Officers*. Robert T. Hardcastle, Charles McCann and Lee Jamison; d) Item 8 *Directors*. Robert T. Hardcastle;
4. Application for Approval of Water Augmentation Tariff, Docket No.W-03514A-10-1116, Dated March 31, 2010: a) Page 1, Lines 15-16 Approve certain emergency interim relief; b) Page 1, Paragraph 1, transfer of Payson Water Co. Certificate of Convenience and Necessity to Brooke Utilities, Inc. by Order of the Commission on June 19, 1998 Decision No. 60972; c) Page 2, Paragraph 4, Breakdown of Company's water augmentation costs for 2009 attached Exhibit 1 (inclusive of all water hauling invoices from Pearson Water Co. to Brooke Utilities/Payson Water Co. presented in that Exhibit); d) Page 3, Paragraphs 6 and 8, Page 4 Paragraph 10 references to "representatives of the community;" e) Page 3 and 4, Paragraph 9 inclusively and in its entirety all wording; e) Page 4, Paragraph 10 inclusively and in its entirety all wording concerning the existence

of an emergency that is alleged not to be artificially created; f) All Exhibits 1 through 5 inclusively and in their entirety; g) ACC Decision No. 60972 Page 6, Order transfer of CC&N and recognition of BUI subsidiaries as "Franchises" of Brooke Utilities, Inc;

5. Docket No. W-03514A-10-1116, 1117 Transcript Exhibit N dated June 2, 2010 and including A- to A5, I1 & S1 in their entirety;
6. Docket No. W-0314A-12-008

**B. DOCUMENTATION ON THE PUBLIC RECORDS associated with Complaint in Docket No. W-03514A-12-0008**

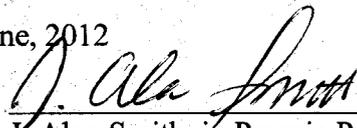
1. **(Complainants' Exhibit C-1 page 3)**, Payson Water Co. Inc. 2009 to 2011 Well Production Reports;
2. **(Complainants' Exhibit C-1 page 6)**, including Complainants' Worksheet of PWC 2011 Well Production Report. The Worksheet includes Well Production on a Monthly, Daily, Hourly and **Gallon per Minute** bases between the Augmentation Periods May 2011 thru October 2011 and includes Customer Consumption for that same period;
3. **(Complainants' Exhibit C-2 page 12)**, including Complainants' Worksheet of BUI Hauling Log dated 7/3/2011 indicating **13,100 gallons of water diverted to East Verde Park** but charged to MDC Customers on Pearson Water Co. Invoice No. 8808 **(Exhibit C-2 page 10)**;
4. **(Complainants' Exhibit C-2 pages 13 to 15)**, including Complainants Worksheet of BUI Hauling Log dated 8/11/2011 indicating **11,800 gallons of water missing and diverted** but charged to MDC Customers on Pearson Water Co. Invoice No. 8816 **(Exhibit C-2 page 18)**;
5. **(Complainants' Exhibit C-2 pages 15, 17 and 18)**, including Complainants Worksheet of BUI Hauling Log dated 8/12/2011 indicating that **17,800 gallons of water diverted to East Verde Park** and charged to MDC Customers on Pearson Water Co. Invoice No. 8816 **(Exhibit C-2 page 18)**;
6. **(Complainants' Exhibit C-2 pages 19 to 20)**, including Complainants Worksheet of BUI Hauling Log dated 8/24 to 8/25/2011 indicating that **6,000 gallons of water is missing and diverted** but charged to MDC Customers on Pearson Water Co. Invoice No. 8819 **(Exhibit C-2 page 21)**;
7. **(Complainants' Exhibit C-2 pages 12 to 23)**, including Complainants Worksheet of BUI Hauling Log dated 9/28/2011 indicating that **5,900 gallons of water is missing and diverted** but charged to MDC Customers on Pearson Water Co. Invoice No. 8825 **(Exhibit C-2 page 24)**;

8. **(Complainants' Exhibit C-5 page 14)**, including Complainants Worksheet of BUI Hauling Log dated 9/5/2011 indicating that **24,000 gallons of water was diverted to EVP** but charged to MDC Customers on Pearson Water Co. Invoice No. 8823 (**Exhibit C-5 page 12**);
9. **(Complainants' Exhibit C-6 pages 1 to 3)**, Complainants Worksheet titled "PWC "Billing Period" Well Production and Water Hauling May 16, 2011 to October 16, 2011 (REVISED PURSUANT TO PWC REVISION OF JUNE 7, 2012)" (See: **Exhibit R-6 page 17**). Exhibit C-6 pages 1-3 indicates large surpluses of water and various gallons of water that are missing from water totals alleged delivered to the MDC System and that was diverted to other locations including East Verde Park (EVP) and possibly others during the Augmentation Period;
10. **(Complainants' Exhibit C-6 page 4)**, Complainants Worksheet titled "The Following Figures are based on "Billing Period" Figures including PWC Well Production Reports, BUI Hauling Logs, Consumption Documentation and PWC Revised 2011 MdC Water Augmentation "Worksheet" dated June 7, 2012." This document clearly indicates a) extreme surpluses of water on a daily bases; b) Consumption did not exceed production of the Company and Water Sharing Agreement Wells during the Augmentation Period; c) that the need to haul water was in all probability unwarranted; and, d) that the Management of the water from both Company Wells and Water Sharing Agreement Wells is completely and totally irresponsible and designed to defraud the MDC Customers of the costs to not only haul water to the MDC System but the costs to haul water during the Augmentation Period of 2011 to other locations like East Verde Park;
11. **(Complainants' Exhibit C-6 pages 6 to 8)**, is the Complainants Worksheet footnoted as "**Invoice/Hauling Log Data**" which is in fact an **Index of the Invoices and Hauling Logs** disclosed by Respondents and ACC Staff in these proceedings and those not disclosed by Mr. Hardcastle and Mr. Pearson. It is detailed and completely accurate. Additional, Invoices and Hauling Logs are listed that Mr. Hardcastle and Mr. Pearson absolutely refused to supply by their refusals to comply with the Subpoenas issued to and received by them because of the incriminating information contained within them. Those not included must be Subpoenaed by the Commission for further investigation;
12. **(Respondents, DRE 1-4 and 1-5)** Titled 2011 Well Production (DRE 1-4, DRE 1-5) Well Production for May 2011 to October 2011;

13. **(Respondents, DRE 1-10 Two pages)** alleged Stages from May 1, 2011 to September 30, 2011. From May 2009 to November 2011 MDC was held primarily at Stage 3. This document is not an accurate representation of the posted Stages during that period;
14. **(Staff Exhibit S-3 Page 9).** Respondents, **DRE 1-11** dated 4 April, 2012 titled "Responses to ACC Date Requests DRE 1-11 Received April 5, 2012;" Referencing "Water Use Data Sheet" and indicating the "Gallons Sold," "Gallons Pumped," "Gallons Hauled" and that ADEQ Well ID. No. 55-631113 pumped **4 gpm**, 55-500270 pumped **2.4 gpm** , 55-513409 pumped **3 gpm** and that 55-556158 pumped **8.5 gpm**. This document portrays only the Company's well production and leaves out the well production of the Water Sharing Agreements wells or "Other Water Sources" within the MDC System during the same period;
15. **(Respondents Exhibit R-6 page 17)**, dated 7 June 2012 and titled Payson Water Co. Inc. "2011 Mdc Water Augmentation Worksheet showing the line titled "EVP water supply charges" for the period of July-August 2011 to be \$83.84, and again for the period of August-September 2011 to be \$153.60;
16. **(Staff Exhibit S-3 page 11 and S-1 page 2).** Respondents, DRE 1-3 dated 10 November 2011 and titled "2011 Mdc Water Augmentation Worksheet (DRE 1-1, DRE 1-2) showing the line titled "EVP water supply charges" for the period of July-August 2011 to be \$83.84, and again for the period of August-September 2011 to be \$153.60;
17. **(Complainants' Exhibit C-2 page 36, Respondent Exhibit R-6 page 18, Staff Exhibit S-3 page 8)** Town of Payson Water Department "Customer Maintenance-Master View Payson Water Co./Brooke Utilities, Inc. Account for water purchased for the 2011 Augmentation Period;
18. **(Complainants' Exhibit C-2 page 37)** Customer Compliance Issues-Curtailment Fines and Fees Through September 2011 dated 12 October 2011;
19. **(Complainants' Exhibit C-2 page 38)** Customer Compliance Issues-Curtailment Fines and Fees April 2011 dated 10 May 2011;
20. **(Complainants' Exhibit C-2 page 39)** Customer Compliance Issues-Curtailment Fines and Fees April 2010 dated 20 January 2011;
21. **(Respondents' Exhibit R-6 page 6)** May 2011 Mdc Customer Disconnections dated 14 August 2011;
22. **(Complainants' Exhibits C-1, C-2, C-5 and C-6);**

**WHEREFORE**, Notice is given to the Commission and the Respondents that the Complainant has filed his Initial Discovery and Disclosure with Trial Exhibits Attached herewith and Supplemental Disclosure to follow shortly.

Respectfully submitted this 13<sup>th</sup> day of June, 2012

  
\_\_\_\_\_  
J. Alan Smith, in Propria Persona

**CERTIFICATE OF SERVICE**

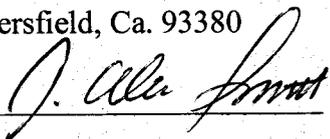
The Original and 13 copies of the foregoing Motion have been mailed this 13<sup>th</sup> day of July, 2012 to the following:

DOCKET CONTROL  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

Copies of the foregoing Motion have been mailed this 13<sup>th</sup> day of July, 2012 to the following:

Robert T. Hardcastle  
P. O. Box 82218  
Bakersfield, Ca. 93380

By:

  
\_\_\_\_\_

# TRIAL EXHIBITS

## INDEX OF EXHIBITS

Analysis of PWC Augmentation Worksheets showing water hauled to EVP	Pages 8 to 11
(C-1 page 3) PWC Well Production Reports 2009 to 2011	Page 12
(DRE 1-4, 1-5) PWC 2011 Well Production Report May-October	Page 13
(S-3 page 9) Respondents Responses to ACC Date Requests 1-11	Page 14
(S-1 page 2) PWC 2011 Mdc Water Augmentation Worksheet DRE 1-1, 1-2 Dated 10 November 11	Page 15
(R-6 page 17) Pwc 2011 Mdc Water Augmentation Worksheet dated 7 June 12	Page 16
(C-2 page 36, R-6 page 18, S-3 page 8) TOP Customer Maintenance Master View	Page 17
(C-1 page 6) PWC 2011 Well Production Monthly, Daily, Hourly, GPM	Page 18
(C-6 pages 1-3) PWC "Billing Period" Well Production & Water Hauling May 16, 2011 to October 16, 2011 Revised pursuant to PWC revision of 6/7/12	Pages 19 to 21
(C-6 page 4) Worksheet figures based on "Billing Period" figures including PWC Well Production Reports, BUI Hauling Logs, Consumption documentation and PWC Revised 2011 Mdc Water Augmentation Worksheet dated 6/7/12	Page 22
(Respondents DRE 1-10) Alleged Water Stages May 1 to September 30, 2011	Pages 23 to 24
(C-2 page 10) Pearson Invoice No. 8808	Page 25
(C-2 page 12) 7/3/11 BUI Hauling Log (Worksheet) showing 13,100 gallons missing and billed to the Mesa del Caballeo System Customers in Invoice No. 8808	Page 26
(C-5 page 12) Pearson Invoice No. 8823	Page 27
(C-5 page 14) 9/5/11 BUI Hauling Log (Worksheet) showing 24,000 gallons missing and billed to the Mesa del Caballeo System Customers in Invoice No. 8823	Page 28
(C-6 pages 6 to 8) Invoice/Hauling Log Data (Index to Invoices and Logs)	Pages 29 to 31
(C-2 page 15) 8/11/11 BUI Hauling Log showing 6,000 gal difference and 11,800 Gallons missing	Page 32
(C-2 page 7) 8/12/11 BUI Hauling Log showing 17,800 gal hauled to East Verde Park and billed to the Mesa del Caballeo System Customers in Invoice No. 8816	Page 33
(C-2 page 19) Pearson Invoice No. 8816	Page 34

**ANALYSIS OF PWC AUGMENTATION WORKSHEETS DATED 10 NOVEMBER 2011 AND 7 JUNE 2011. DOCUMENTATION SUBMITTED BY RESPONDENTS AND STAFF AT THE COMMISSION HEARINGS HELD IN DOCKET NO. W-03514A-12-0008 BETWEEN JUNE 26 AND 27/2012 AND IDENTIFIED AS R-6 PAGE 17, S-1 PAGE 2, S-3 PAGE 11**

1. **Respondents, DRE 1-3** dated 10 November 2011 and titled "2011 MdC Water Augmentation Worksheet (DRE 1-1, DRE 1-2)" showing the line titled "EVP water supply charges" for the period of July-August 2011 to be **\$83.84**, and for the period of August-September 2011 to be **\$153.60**. (See Attached: Exhibit S-1 page 2 also designated as S-3 page 11);
2. **Respondents, Exhibit R-6 page 17**, dated 7 June 2012 and titled "2011 MdC Water Augmentation Worksheet," showing the line titled "EVP water supply charges" for the period of July-August 2011 to be **\$83.84**, and for the period of August-September 2011 to be **\$153.60**. (See Attached: Exhibit R-6 page 17);
3. Reference Pearson Invoice No. 8808 dated 7/7/2011 (Exhibit C-2 page 10). Total amount of Hauling Charges is \$3,000.00. (See Attached: Exhibit C-6 page 6);
4. Reference BUI Hauling Log dated 7/3/2011 (See Attached: Exhibit C-2 page 12). Start and End Meter Readings indicate 78,100 gallons were hauled. According to individual Meter Readings only 65,000 gallons was hauled. The difference being 13,100 gallons indicating the **13,100 gallons** of water was diverted to East Verde Park but charged to MDC Customers on Pearson Water Co. Invoice No. 8808 (See Attached: Exhibit C-6 page 6);

**July-August 2011 Augmentation Period:**

Town of Payson (TOP), Cost/ gal. to purchase = \$.0064 (or \$6.40/1,000 gal.)

**Invoice No.8808** Cost/gal.       $\frac{\$3,000.00}{78,100 \text{ gal.}} = \$.0384/\text{gal. to Haul}$

Stated Cost of Water purchased from TOP and hauled to East Verde Park (EVP) = \$ 83.84 (See Attached: Exhibits S-1 page 2 and R-6 page 17 Line titled "EVP water supply charges.")

\$ 83.84 = 13,100 gallons

\$.0064

13,100 gallons

X .0384 (Cost/gal. to Haul)

\$503.05 (Total Cost to Haul 13,100 gallons)

+ 83.84 (Cost of Water TOP)

**\$586.88 (Total Charge to MDC for Water and Hauling to EVP on July 3, 2011 during July-August 2011 Augmentation "Billing Period")**

5. Reference Pearson Invoice No. 8823 dated 9/5/2011 (See Attached: Exhibit C-5 page 12). Total amount of Hauling Charges is \$2,550.00 (See Attached: Exhibit C-6 page 6);
6. Reference BUI Hauling Log dated 9/5/2011 (See Attached: Exhibit C-5 page 14). Start and End Meter Readings indicate 77,400 gallons were hauled. Alleged haul on Invoice is 53,400. According to individual Meter Readings 77,400 gallons was hauled. The difference being 24,000 gallons indicating the **24,000 gallons** of water was diverted to East Verde Park but charged to MDC Customers on Pearson Water Co. Invoice No. 8823 (See Attached: Exhibit C-6 page 6);

**August-September 2011 Augmentation Period:**

Town of Payson (TOP), Cost/ gal. = \$.0064 (or \$6.40/1,000 gal.)

Invoice No. 8823 Cost/gal.      $\frac{\$2,550.00}{77,400 \text{ gal.}} = .0329/\text{gal. to Haul}$

Stated Cost of Water purchased from TOP and hauled to East Verde Park (EVP) = \$ 153.60. (See Attached: Exhibits S-1 page 2 and R-6 page 17 Line titled “EVP water supply charges.”)

$\frac{\$ 153.60}{.0064} = 24,000 \text{ gallons}$

24,000 gallons  
 $\underline{\times .0329}$  (Cost/gal. to Haul)  
 \$789.60 (Total Cost to Haul 24,000 gallons)

$\underline{+ 153.60}$  (Cost of Water TOP)  
**\$943.20 (Total Charge to MDC for Water and Hauling to EVP September 7, 2011 during August-September 2011 “Billing Period” Augmentation)**

By comparing the “Net Water Supply Charges” found in Exhibit R-6 page 17 and S-1 page 2, to the Charges by the Town of Payson (TOP) for water purchased (Exhibit C-2 page 36) you will find that the TOP July charges for water purchased is \$863.77 and for August is \$1,221.50.

(Exhibits R-6 page 17 and S-1 page 2) show that \$83.84 was subtracted from \$1,221.50 and \$153.60 was subtracted from \$863.77 and shows the totals for water hauled. Conclusion PWC/BUI stole 13,100 gallons and 24,000 gallons from the Customers of the MDC System hauled it to East Verde Park and billed the MDC Customers for the water and hauling to EVP.

The Exhibits so referenced in Items 1 through 5 above and (Exhibits C-2 pages 15, 17 and 18 Attached) prove beyond any reasonable doubt by the Respondents own evidence that water was hauled to EVP and charged to MDC Customers. This is in fact true for every other Invoices (8803, 8816, 8819

and 8825) and corresponding hauling logs, where water is missing and unaccounted for or otherwise diverted to another location like EVP.

The Invoices 8805, 8806, 8809, 8810, 8813, 8814, 8817, 8818, 8820, 8822, 8824 and their corresponding hauling logs were denied to Complainants' in Docket No. W-03514A-12-0008 because Respondents Pearson and Hardcastle refused to comply with the Subpoenas issued to them to produce them and the Commission failed to enforce the Subpoenas. The Invoices and Hauling Logs must be obtained by the Commission and Staff by Subpoena for investigation and analysis.

Martin Zabola left Arizona for South Dakota when served with a Subpoena? Why did Mr. Hardcastle and Mr. Pearson refuse to comply with the Subpoenas? What do they have to hide?

Incriminating evidence contained therein proves beyond any reasonable doubt that water was hauled to EVP and illegally hauled out of Mesa del Caballo and the MDC Customers paid for it.

(Exhibit S-3 page 9) Respondents' Responses to ACC Date Requests DRE 1-11 Received April 5, 2012 gives the false impression that "Company Wells" altogether produce 14.3 gpm and the "Other Water Sources" (Water Sharing Agreement Wells) produced nothing.

(Exhibit C-1 page 6 which is based on PWC Well Production Reports (Exhibit C-1 page 3) clearly shows that during the Months of May to October 2011 all of the wells (Company and Water Sharing Agreement) were producing from 28.4 gpm to 30.24 gpm monthly.

(Exhibit C-6 page 1 to 3) shows that each month during the Augmentation Period there was a surplus of water. There did not exist a need to haul water. So where did the surplus water go?

(Exhibit C-6 page 4) shows that the Total "Billing Period" Well Production for May 16, 2011 to October 16, 2011 to be 6,169,525 gallons (according to Exhibit C-1 page 3) 2011 Well Production Report for that period).

(Exhibit R-6 page 17 and Exhibit S-3 page 9) shows that the Total Revised Consumption according to "Gallons Sold" (at the top of those Exhibits) is 5,345,294 gallons for the "Billing Period" May 16, 2011 to October 16, 2011.

(Exhibit C-6 page 4) shows that there is a huge difference of 824,231 gallons between "WELL PRODUCTION" from all wells and Consumption and that an additional 701,900 gallons was alleged to have been hauled to the MDC System. Conclusion, either the MDC System has a huge leak that Mr. Hardcastle refuses to repair or Mr. Hardcastle, Mr. Allred and Mr. Pearson conspired together to defraud the MDC System Customers of Thousands of Dollars in unnecessary and unfounded hauling costs for profit and that they hauled water out of the system to other locations.

At Hearing in Docket No. 03514A-12-0008 Mr. Hardcastle promised under oath on both days of the Hearing to produce the documentation showing the Company made payments to the Well Owners for water the Company purchased from Water Sharing Agreement Wells. He testified under oath that he paid the Well Owners Religiously. However, has not produced such documents and records to prove his claims or testimony at Hearing and cannot prove that he has made any payments to Patricia Behm since December 2007 or prior to June of 2012, or that he made any payments to Jon Olson other than possibly 9, or that Jon Olson was the well owner or that he made any payments to Lisa Harmon since 2001 the real Well Owner or that he has made any payments to the El Caballo Club in the last 6 years.

Here is how the Company fraud and scam worked.

First, maintain the illusion that the MDC System cannot produce enough water to support the Community by manipulating well production and showing a need to haul water.

Second, create an artificial emergency to convince the Commission to implement an Augmentation Tariff and impose a Curtailment Plan to conserve water thus making more water available to be hauled to other locations.

Third, show an extensive need and exorbitant cost to haul water from great distances even though water can be obtained from Local Company systems and the Town of Payson.

Fourth, haul water in and haul water out and make the Customers pay for all of it to reap greater profits where none should be earned and hope the Customers don't catch on to the scam.

Motive, all costs to haul water are not recoverable as Mr. Allred testified to. Therefore the motive and method were there and employed to make profit for the company to recover all costs beyond the cost of water and the hauling of the water.

**FRAUD:** Deceit, deception, artifice, or trickery operating prejudicially on the rights of another, and so intended by inducing him to part with property or surrender some legal right. **23 Am J2d Fraud § 2.** Anything calculated to deceive another to his prejudice and accomplishing the purpose, whether it be an act, a word, silence, the suppression of the truth, or other device contrary to the plain rules of common honesty. **23 Am J2d Fraud §2.** An affirmation of a fact rather than a promise or statement of intent to do something in the future. **Miller v. Sutliff, 241 Ill 521, 89 NE 651.**

**MISREPRESENTATION:** The statement of an untruth. A misstatement of fact, which, if accepted, leads the mind to an apprehension of a condition other and different from that which exists. **37 Am J2d Fraud §2.**

C-1 PAGE 3

Payson Water Co., Inc.  
**2009 Well Production**

ADWR #	Location	January	February	March	April	May	June	July	August	September	October	November	December
55-560398	WSA Lot 289	0	0	0	0	19280	26210	34090	25300	22970	26890	33500	34260
55-585747	WSA FD 422F	315400	263400	259100	199800	103600	101100	124900	73100	0	0	0	0
55-558967	WSA L164	493090	417960	429410	447480	430980	407200	538860	411010	426070	443180	535130	527080
55-631113	TCT E	92190	870	2410	78590	277500	263660	38270	203080	148040	223600	228040	215120
55-500270	TCT E	32420	180	500	25830	105630	90620	54960	88450	88520	1500	144420	71560
55-801698	TCT E	0	0	0	0	0	0	0	0	0	0	0	0
55-513409	Caballero 422D	145460	122290	120810	121040	112260	122910	168630	92620	116400	119090	139200	137530
55-801699	L17	0	0	0	120	0	0	0	480	0	0	80	50
55-631112	L17	0	0	0	0	0	0	0	0	0	0	0	0
55-556148	East Barranca	145950	327700	356440	452750	399110	418220	483550	356670	317590	363170	483920	468660

**2010 Well Production**

ADWR #	Location	January	February	March	April	May	June	July	August	September	October	November	December
55-560398	WSA Lot 289	30840	25610	21520	34310	30970	24550	29650	28760	30500	26700	28280	21940
55-585747	WSA FD 422F	0	500	0	0	253100	119400	148200	149200	142200	131900	135500	129400
55-558967	WSA L164	511660	432870	436540	519710	446630	361820	453900	466510	478490	425260	449650	411450
55-631113	TCT E	182870	104270	104270	195750	111580	157720	208100	143870	134330	113840	119050	116700
55-500270	TCT E	66260	36560	88650	80500	7	68600	75420	67710	78360	65000	81250	74160
55-801698	TCT E	0	0	0	0	0	0	0	0	0	0	0	0
55-513409	Caballero 422D	132520	116900	121490	135760	114040	90670	114460	115980	117420	106270	110970	125080
55-801699	L17	0	0	0	0	0	210	40	10	20	40	0	0
55-631112	L17	0	0	0	0	0	0	0	0	0	0	0	0
55-556148	East Barranca	439120	375540	110690	383320	389730	291660	363460	370050	368140	312930	287550	267280

**2011 Well Production**

ADWR #	Location	January	February	March	April	May	June	July	August	September	October	November	December
55-560398	WSA Lot 289	25420	21500	24830	27680	33030	32720	31180	34710	31100	31810	31770	31020
55-585747	WSA FD 422F	145400	125200	120100	200	96500	97200	86500	44600	0	0	90900	114900
55-558967	WSA L164	497630	439640	410180	450360	421820	515770	483510	515780	475510	473330	484280	463210
55-631113	TCT E	114470	113610	32340	51010	128360	101640	96450	162940	99170	108820	28280	33140
55-500270	TCT E	75030	76180	34710	69770	69770	106730	78370	86320	61110	71490	17970	38460
55-801698	TCT E	0	0	0	0	0	230	0	0	0	0	0	0
55-513409	Caballero 422D	149560	133450	122510	127420	116830	115390	111460	120160	113730	114100	113610	105500
55-801699	L17	20	10	0	0	10	20	20	10	0	0	0	0
55-631112	L17	0	0	0	0	0	0	0	0	0	0	0	0
55-556148	East Barranca	286580	234170	326850	303820	363920	331840	302120	341900	297650	316920	308090	304310

Payson Water Co., Inc.

**2011 Well Production (DRE 1-4, DRE 1-5)**

ADWR #	Location	May	June	July	August	September	October
55-560398	WSA Lot 289	33030	32720	31180	34710	31100	31810
55-585747	WSA FD 422F	96500	97200	86500	44600	0	0
55-558967	WSA L164	421820	515770	483510	515780	475510	473330
55-631113	TCT E	128360	101640	96450	162940	99170	108820
55-500270	TCT E	69770	106730	78370	86320	61110	71490
55-801698	TCT E	0	230	0	0	0	0
55-513409	Caballero 422D	116830	115390	111460	120160	113730	114100
55-801699	L17	10	20	20	10	0	0
55-631112	L17	0	0	0	0	0	0
55-556148	East Barranca	363920	331840	302120	341900	297650	316920

\* \* \*

\* = WATER SHARING AGREEMENT WELLS

DRE 1-4, 1-5

Payson Water Co., Inc.

**Responses to ACC Date Requests DRE 1-11 Received April 5, 2012**

Docket No. W-03514A-12-008

DRE1-11

4-Apr-12

S-3  
Page 9

**WATER USE DATA SHEET**

Payson Water Co., Inc.

PWS 04-030

<u>Month Year</u>	<u>Customers</u>	<u>Gallons Sold</u>	<u>Gallons Pumped</u>	<u>Gallons Purchased</u>
Feb-11	369	1,312,890	557,420	586,340
Mar-11	367	1,273,325	516,410	555,110
Apr-11	364	971,505	552,020	478,240
May-11	361	1,118,563	678,890	645,690
Jun-11	366	624,064	655,850	601,190
Jul-11	370	1,234,320	588,420	595,090
Aug-11	372	1,324,579	711,330	506,610
Sep-11	369	1,092,771	571,660	505,140
Oct-11	366	1,069,560	611,330	606,950
Nov-11	364	1,023,967	467,950	609,130
Dec-11	365	998,937	481,410	609,130
Jan-12	366	1,001,982	450,940	505,030
Feb-12	367	1,010,069	508,370	662,560

<u>Storage Tank Capacity</u>	<u>Number Each</u>	<u>ADEQ Well ID#</u>	<u>Well GPM</u>
15,000	3	55-631113	4
20,000	1	55-500270	2.4
40,000	1	55-801698	0
		55-801699	0
		55-556312	0
		55-513409	3
		55-556158	8.5

Other Water Sources in GPM:

None ←?

Fire Hydrants in System:

None

Total Water Pumped Last 13 Months:

12,743,642

14

S-3 PAGE 1  
S-1 PAGE 2

UNC

J-1 PAGE 2

Payson Water Co., Inc.

**2011 Mdc Water Augmentation Worksheet (DRE 1-1, DRE 1-2)**

10-Nov-11

	2011					
	May-June	June-July	July-August	August-September	September-October	
Pearson invoice 8803		\$2,250.00				
Pearson invoice 8804		\$3,600.00				
Pearson invoice 8807		\$2,850.00				
Pearson invoice 8808		\$3,000.00				
Pearson invoice 8811		\$1,050.00				
Pearson invoice 8812		\$3,150.00				
Pearson invoice 8815			\$3,300.00			
Pearson invoice 8816			\$3,450.00			
Pearson invoice 8819				\$2,700.00		
Pearson invoice 8822				\$3,000.00		
Pearson invoice 8823				\$2,550.00		
Pearson invoice 8825						\$1,950.00
TOP water supply charges	\$0	\$863.77	\$1,221.50	\$855.86	\$0.00	\$0.00
EVP water supply charges	\$0	\$0.00	\$83.84	\$153.60	\$0.00	\$0.00
<b>Net water supply charges</b>	<b>\$0.00</b>	<b>\$863.77</b>	<b>\$1,137.66</b>	<b>\$702.26</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Water Hauling Costs</b>	<b>\$0.00</b>	<b>\$16,763.77</b>	<b>\$7,887.66</b>	<b>\$8,952.26</b>	<b>\$1,950.00</b>	<b>\$0.00</b>
<b>Total Cost per Gallon</b>	<b>\$0.000000000</b>	<b>\$0.0135813808</b>	<b>\$0.0059548430</b>	<b>\$0.0081922562</b>	<b>\$0.0018231796</b>	<b>\$0.0018231796</b>

15

Payson Water Co., Inc.

# 2011 Mdc Water Augmentation Worksheet

7-Jun-12

		2011							
	Water Haul	Invoice	Receipt	Process	May-June	June-July	July-August	August-September	September-October
Gallons Sold					624,064	1,234,320	1,324,579	1,092,771	1,069,560
Bill Dates					22-Jun-11	22-Jul-11	24-Aug-11	22-Sep-11	22-Oct-11
Meter read dates					16-Jun-11	16-Jul-11	17-Aug-11	16-Sep-11	16-Oct-11
Pearson invoice 8803	8-Jun-11	13-Jun-11	16-Jun-11	23-Jun-11	\$2,250.00				
Pearson invoice 8804	19-Jun-11	21-Jun-11	22-Jun-11	23-Jun-11	\$3,600.00				
Pearson invoice 8807	24-Jun-11	30-Jun-11	5-Jul-11	6-Jul-11	\$2,850.00				
Pearson invoice 8808	3-Jul-11	7-Jul-11	9-Jul-11	12-Jul-11	\$3,000.00				
Pearson invoice 8811	8-Jun-11	14-Jul-11	15-Jul-11	18-Jul-11	\$1,050.00				
Pearson invoice 8812	30-Jun-11	14-Jul-11	15-Jul-11	18-Jul-11	\$3,150.00				
Pearson invoice 8815	5-Aug-11	16-Aug-11	17-Aug-11	19-Aug-11	\$3,300.00				
Pearson invoice 8816	12-Aug-11	16-Aug-11	17-Aug-11	19-Aug-11	\$3,450.00				
Pearson invoice 8819	25-Aug-11	30-Aug-11	7-Sep-11	8-Sep-11			\$2,700.00		
Pearson invoice 8822	1-Sep-11	7-Sep-11	7-Sep-11	8-Sep-11			\$3,000.00		
Pearson invoice 8823	5-Sep-11	7-Sep-11	7-Sep-11	8-Sep-11			\$2,550.00		
Pearson invoice 8825	28-Sep-11	19-Oct-11	20-Oct-11	21-Oct-11					\$1,950.00
TOP water supply charges					\$0	\$863.77	\$1,221.50	\$855.86	\$0.00
EVP water supply charges					\$0	\$0.00	\$83.84	\$153.60	\$0.00
<i>Net water supply charges</i>					\$0.00	\$863.77	\$1,137.66	\$702.26	\$0.00
<i>Total Water Hauling Costs</i>					\$0.00	\$16,763.77	\$7,887.66	\$8,952.26	\$1,950.00
<i>Total Cost per Gallon</i>					\$0.000000000	\$0.0135813808	\$0.0059548430	\$0.0081922562	\$0.0018231796

R-6 PAGE 17

# TOWN OF PAYSON WATER DEPARTMENT

## Customer Maintenance - Master View

Date: 1/9/2012 10:09:52 AM

User Name: CGildroy

Account Number : 00009634

Home Phone : (928) 476-2500 x

Class : Bulk

Address : 1010 S STOVER ROAD

PAYSON, AZ 85541

Customer Name : PAYSON WATER COMPANY (BROOKE UTIL)

Work Phone : (928) 231-2035 x

Billing Status :

Status : Active  
Billing Type : Normal  
Billing Cycle : Normal

Service Location	Description	12/1/2011	11/1/2011	10/1/2011	9/1/2011	8/1/2011	7/1/2011	6/1/2011	5/1/2011	4/1/2011	3/1/2011	2/1/2011	1/1/2011	12/1/2010	11/1/2010
Charges	26.30	26.30	260.15	1,332.53	855.86	1,221.59	863.77	23.82	23.82	23.82	743.84	656.86	23.82	23.82	23.82
Payments	26.30	260.15	1,332.53	855.86	1,221.59	863.77	23.82	23.82	23.82	743.84	656.86	23.82	23.82	23.82	399.86
Service - Service Usage	0	0	42,100	206,500	134,200	189,700	135,400	0	0	0	0	117,200	104,000	0	0

S-3 PAGE 8  
R-6 PAGE 18  
C-2 PAGE 36

17  
Araf 2

**PAYSON WATER CO, INC  
2011 MONTHLY WELL PRODUCTIONS**

---

January: 1'294'110  
daily: 43,137  
hourly: 1,797  
gpm: 29.95

February: 1'143'760  
daily: 38,125  
hourly: 1,588  
gpm: 26.47

March: 1'071'250  
daily: 35,717  
hourly: 1,488  
gpm: 24.80

---

April: 1'030'260  
daily: 34,342  
hourly: 1,430  
gpm: 23.84

May: 1'230'230  
daily: 41,007  
hourly: 1,708  
gpm: 28.4

June: 1'301'540  
daily: 43,384  
hourly: 1,807  
gpm: 30.12

---

July: 1'189'610  
daily: 39,653  
hourly: 1,652  
gpm: 27.53

August: 1'306'410  
daily: 43,547  
hourly: 1,814  
gpm: 30.24

September: 1'078'270  
daily: 35,942  
hourly: 1,497  
gpm: 24.95

---

October: 1'116'470  
daily: 37,215  
hourly: 1,550  
gpm: 25.84

November: 1'074'900  
daily: 35,830  
hourly: 1,492  
gpm: 24.88

December: 1'090'540  
daily: 36,351  
hourly: 1,514  
gpm: 25.24

---

**2011 Well Productions**  
Total: 13'927'350

**2011 Well Sharing Prod**  
Total: 6'909'290

**2011 TOP Water Purchase**  
Total: 701,900

**2011 Well Production May thru Sept**  
Total: 6'106'060

**2011 Consumption May thru Sept**  
Total: 5'500'000

**2011 Costs to Haul and Purchase Water**  
Total: \$ 38,900

18

**PAYSON WATER CO. INC. "BILLING PERIOD" WELL PRODUCTION  
And Water Hauling MAY 16, 2011 to OCTOBER 16, 2011  
(REVISED PURSUANT TO PWC REVISION OF JUNE 7, 2012)**

**Period: May 17 to June 16, 2011**

15 days at a daily average of 41,007 gal./day = 615,105 gallons

16 days at a daily average of 43,384 gal./day = 694,144 gallons

Total Well Production = 1,309,249 gallons

Total Consumption = 1,308,043 gallons

[REDACTED]

[REDACTED]

[REDACTED]

**Augmentation: 6/7-6/8/2011 alleged = 71,500 gallons**

**Actual = 60,398 gallons.**

[REDACTED]

**Period: June 17 to July 16, 2011**

14 days at a daily average of 43,384 gal./day = 607,376 gallons

16 days at a daily average of 39,653 gal./day = 634,448 gallons

**Total Well Production = 1,241,824 gallons**

**Total Consumption = 1,234,320 gallons**

[REDACTED]

**Augmentation: 6/19-6/20/2011 alleged = 68,900 gallons**

**Actual = 68,900 gallons.**

***Difference = 0 gallons***

**Period: July 16 to August 17, 2011**

15 days at a daily average of 39,653 gal./day = 594,795 gallons

17 days at a daily average of 43,547 gal./day = 740,299 gallons

**Total Well Production = 1,335,094 gallons**

**Total Consumption = 1,284,670 gallons**

[REDACTED]

[REDACTED]

[REDACTED]

**Augmentation: 6/24/2011 alleged = 51,600 gallons**

**Actual = 51,600 gallons**

***Difference = 0 gallons***

**Augmentation: 6/30/2011 alleged = 59,990 gallons**

**Actual = 59,990 gallons**

***Difference = 0 gallons***

**Augmentation: 7/03 2011 alleged = 78,100 gallons**

**Actual = 65,000 gallons.**

[REDACTED]

**Augmentation: 8/6 to 8/7 2011 alleged = 66,572 gallons**

**Actual = 66,572 gallons.**

***Difference = 0 gallons***

**Augmentation: 8/11 2011 alleged = 71,700 gallons**

**Actual = 59,900**

[REDACTED]

**Augmentation: 8/12/2011 haul to EVP Alleged = 12,000 gallons**

[REDACTED]

[REDACTED]

C-6

**Period: August 18 to September 16, 2011**

14 days at a daily average of 43,547 gal./day = 609,658 gallons

16 days at a daily average of 35,942 gal./day = 575,072 gallons

**Total Well Production = 1,184,730 gallons**

**Total Consumption = 1,092,191 gallons**

**Augmentation: 8/24/2011 alleged = 59,700 gallons**

**Actual = 58,700 gallons**

**Augmentation: 8/30/2011 alleged = 59,400 gallons**

**Actual = 59,400 gallons.**

***Difference = 0 gallons***

**Augmentation: 9/5/2011 alleged = 77,400 gallons**

**Actual = 53,400 gallons.**

**Period: September 17 to October 16, 2011**

14 days at a daily average of 35,942 gal./day = 503,188 gallons

16 days at a daily average of 37,215 gal./day = 595,440 gallons

**Total Well Production = 1,098,628 gallons**

**Total Consumption = 1,074,250 gallons**

**Augmentation: 9/28/2011 alleged = 42,100 gallons**

**Actual = 36,200 gallons.**

21

1-6

**THE FOLLOWING FIGURES ARE BASED ON "BILLING PERIOD" FIGURES  
INCLUDING PWC WELL PRODUCTION REPORTS, BUI HAULING LOGS, CONSUMPTION  
DOCUMENTATION AND  
PWC REVISED 2011 MDC WATER AUGMENTATION"WORKSHEET" DATED JUNE 7, 2012**

**Total Well Production Surplus Water for the Augmentation "Billing Period" May 16 to  
October 16, 2011:**

**1,309,724 gallons**

**Average Monthly Well Production Surplus Water for the Augmentation "Billing Period"  
May 16, to October 16, 2011:**

**261,944 gallons**

**Average Daily Well Production Surplus Water for the Augmentation "Billing Period" May  
16, to October 16, 2011:**

**8,731 gallons**

**Total Well Production: May 1, 2011 to September 30, 2011**

**6,106,080 gallons**

**Total ("Billing Period") Well Production: May 16, 2011 to October 16, 2011.**

**6,169,525 gallons**

**Total Consumption: May 16, 2011 to October 16, 2011**

**5,993,474 gallons**

**Total Revised Consumption by Payson Water Co. Inc. on June 7, 2012 to:**

**5,345,294 gallons**

**Difference between Total "Billing Period" Well Production (May 16, 2011 to October 16,  
2011) and Total Revised Consumption:**

**824,231 gallons**

**Total Water Purchased from the Town of Payson Water Department during Augmentation  
"Billing Period" May 16, 2011 to October 16, 2011 and alleged to have been hauled to the MDC  
System:**

**701,900 gallons**

**Total Water Unexplainably Missing from BUI hauling logs but billed to MDC Customers:**

**84,702 gallons**

DRE-1-10

1-May	3	75/2/stay 3
2-May	3	62/4/go 4
3-May	3	58/4/stay 3
4-May	3	65/3
5-May	3	68/3
6-May	3	75/2/stay3
7-May	3	81/2/stay 3
8-May	3	78/2/stay3
9-May	3	75/2/stay3
10-May	3	82/2/stay3
11-May	2	82/2
12-May	2	78/2
13-May	2	83/2
14-May	2	80/2
15-May	2	83/2
16-May	2	71/3/stay 2
17-May	2	79/2
18-May	2	81/2
19-May	2	85/1/stay 2
20-May	2	87/1/stay 2
21-May	2	90/1/stay2
22-May	2	89/1/stay2
23-May	2	80/2
24-May	2	79/2
25-May	2	79/2
26-May	2	78/2
27-May	3	81/2/stay 3
28-May	3	81/2/stay 3
29-May	3	79/2/stay 3
30-May	3	81/2/stay 3
31-May	3	78/2/stay3
1-Jun	3	79/2/stay 3
2-Jun	3	76/2/stay 3
3-Jun	3	74/2/stay3
4-Jun	3	79/2/stay 3
5-Jun	3	73/3
6-Jun	3	68/3
7-Jun	3	50/5/go 4
8-Jun	3	76/3/go 3
9-Jun	2	90/1/stay2
10-Jun	2	90/1/stay2
11-Jun	2	83/2
12-Jun	2	76/2
13-Jun	2	69/3/ go 3
14-Jun	3	73/3
15-Jun	3	71/3

16-Jun	3	72/3
17-Jun	3	71/3
18-Jun	3	65/3
19-Jun	3	59/4/go4
20-Jun	3	76/2/go 2
21-Jun	2	90/1/stay2
22-Jun	2	73/3/go 3
23-Jun	3	60/4/go 4
24-Jun	3	57/4/go4
25-Jun	4	97/1/go 3
26-Jun	3	82/2
27-Jun	3	72/3
28-Jun	3	71/3
29-Jun	3	61/4
30-Jun	3	85/1
1-Jul	3	91/1
2-Jul	3	78/2 stay 2
3-Jul	3	72/3
4-Jul	3	77/2/stay3
5-Jul	3	76/2/stay3
6-Jul	3	57/4/ go 4
7-Jul	3	53/4/ go 4
8-Jul	3	81/2/ stay 3
9-Jul	3	79/2/stay 3
10-Jul	3	Levelcon down
11-Jul	3	77/2/stay3
12-Jul	3	79/2/stay 3
13-Jul	2	79/2
14-Jul	2	80/2
15-Jul	2	83/2
16-Jul	2	74/2
17-Jul	2	64/3/go3
18-Jul	3	63/3
19-Jul	3	65/3
20-Jul	3	67/3
21-Jul	3	71/3
22-Jul	3	70/3
23-Jul	3	72/3
24-Jul	3	72/3
25-Jul	3	68/3
26-Jul	3	67/3
27-Jul	3	64/3
28-Jul	3	65/3
29-Jul	3	68/3
30-Jul	3	72/3
31-Jul	3	70/3

# DRE 1-10

1-Aug	3	64/3
2-Aug	3	66/3
3-Aug	3	64/3
<del>4-Aug</del>	3	64/3
<del>5-Aug</del>	3	62/4/ notice for 4
<del>6-Aug</del>	3	58/4/go 4
7-Aug	3	91/1/ go 3
8-Aug	3	88/2/go 2
9-Aug	2	77/2
10-Aug	2	63/3/ go 3
<del>11-Aug</del>	3	59/4/ stay 3
<del>12-Aug</del>	3	99/1
13-Aug	3	90/1/stay 3
14-Aug	3	80/2/stay 3
15-Aug	3	75/2/stay3
16-Aug	3	64/3
17-Aug	3	75/2/stay 3
18-Aug	3	70/3
19-Aug	3	73/3
20-Aug	3	75/2
21-Aug	3	68/3
22-Aug	3	64/3
23-Aug	3	62/3
<del>24-Aug</del>	3	58/4/ stay 3
<del>25-Aug</del>	3	102/1/go 2
26-Aug	2	93/1/stay 2
27-Aug	2	80/2
28-Aug	2	73/3/go3
29-Aug	3	66/3
<del>30-Aug</del>	3	62/4/go 4
<del>31-Aug</del>	4	101/1/go3
<del>1-Sep</del>	3	96/1/go to 2
2-Sep	2	85/1/stay 2
3-Sep	2	79/2
4-Sep	3	74/2/stay3
<del>5-Sep</del>	3	90/1/go2
6-Sep	3	99/1/go 2
7-Sep	2	91/1/stay 2
8-Sep	2	81/2
9-Sep	2	82/2
10-Sep	2	81/2
11-Sep	2	81/2
12-Sep	2	80/2
13-Sep	2	82/2
14-Sep	2	83/1/stay 2
15-Sep	2	82/2

16-Sep	2	80/2
17-Sep	2	82/2
18-Sep	2	80/2
19-Sep	2	79/2
20-Sep	2	79/2
21-Sep	2	81/2
22-Sep	2	77/2
23-Sep	2	80/2
24-Sep	2	80/2
25-Sep	2	71/3 go 3
26-Sep	3	70/3
27-Sep	3	72/3
<del>28-Sep</del>	3	83/2 go 2
29-Sep	3	94/go 2
30-Sep	2	87/1/ stay 2

**PEARSON WATER CO.**

P.O. BOX 193  
1120 RODEO RD.  
WILLIAMS, AZ 86046

**Invoice**

DATE	INVOICE NO
7/7/2011	1381

<b>BILL TO</b>
BROOKE UTILITIES PAYSON WATER COMPANY P O BOX 8218 BAKERSFIELD, CA 93380

<b>DELIVER TO</b>
MESA, DELL

WATER HAULED	QUANTITY	RATE	AMOUNT
From Payson to Mesa Dell 07/03/2011 (10 Loads 16 hours 150/HR	16	0.00 150.00	0.00 2,400.00
TRAVEL TIME \$150/HR	4	150.00	600.00
<b>Total</b>			<b>\$3,000.00</b>

15  
25



**PEARSON WATER CO.**

P.O. BOX 193  
1120 RODEO RD.  
WILLIAMS, AZ 86046

**Invoice**

DATE	INVOICE NO.
9/7/2011	8823

<b>BILL TO</b>
BROOKE UTILITIES PAYSON WATER COMPANY P O BOX 8218 BAKERSFIELD, CA 93380

<b>DELIVER TO</b>
MESA, DELL

13/08-01-7170.00

WATER HAULED	QUANTITY	RATE	AMOUNT
Payson to Mesa Del 09/05/2011 13 hrs @ 150.00 ✓	13	150.00	1,950.00
4 hrs travel time @150.00	4	150.00	600.00

53,400 gallons

<b>Total</b>	<b>\$2,550.00</b>
--------------	-------------------

CL-5 PAGE 14.

METER START OK

INVOICE # 8823  
(24'000 GALLONS)  
MISSING

BUI HAULING LOG

Date	Driver	Haul From	Haul To	Meter Read Start	Meter Read End	Gallons	CL2 at Source	CL2 at Drop
9/5	Jim	PAYSON	MESA DEL	1187400	1193300	5900	.41	.41
9/5	"	PAYSON	MESA DEL	1193300	1199300	6000	.42	.42
9/5	"	PAYSON	MESA DEL	1199300	1205200	5900	.42	.42
9/5	"	PAYSON	MESA DEL	1205200	1211100	5900	.47	.47
9/5	"	PAYSON	MESA DEL	1211100	1217000	5900	.49	.49
9/5	"	PAYSON	MESA DEL	1217000	1222900	6000	.51	.51
9/5	"	PAYSON	MESA DEL	1222900	1228800	6000	.51	.51
9/5	"	PAYSON	MESA DEL	1228800	1234700	5900	.52	.52
9/5	"	PAYSON	MESA DEL	1234700	1240600	5900	.51	.51
						53'400		
		METER			METER READ SKIP #			
		END	1264800		1241000			
		START	1187400		1217000			
		HAUL	77'400		24'000 MISSING			
			53'400					
			24'000 MISSING					

1264800  
- 1187400  
-----  
77'400  
METER

C-6

INVOICE NO.	INV. DATE	HAULING PERIOD DATES	LOG DATES	ALLEGED TOTAL GAL.	ACTUAL GAL. HAUL	UNACCOUNTED GAL.	METER BEGIN	METER END
8803	6/13/2011	6/7 to 6/8/2011	6/7-6/8/2011	71,500	60,394	11,106	599,100	665,500
8811	7/14/2011	UNJUSTIFIED	6/7-6/8/2011	UNKNOWN	unconfirmed	UNKNOWN	NO READING	NO READING
8804	6/21/2011	6/19 to 6/20/2011	6/19-6/20/2011	68,900	68,900	0	665,500	734,400
8805	NO	INVOICE	NO	LOG	NO	METER	READINGS	
8806	NO	INVOICE	NO	LOG	NO	METER	READINGS	
8807	6/30/2011	6/24/2011	6/24/2011	51,600	51,600	0	734,400	786,000
8812	7/14/2011	6/29 to 6/30/2011	6/29-6/30 2011	59,990	59,990	0	786,000	845,990
8808	7/7/2011	7/03/2011	7/3/2011	78,100	65,000		*845,900	*924,000
8809	NO	INVOICE	NO	LOG	NO	METER	READINGS	
8810	NO	INVOICE	NO	LOG	NO	METER	READINGS	
8813	NO	INVOICE	NO	LOG	NO	METER	READINGS	
8814	NO	INVOICE	NO	LOG	NO	METER	READINGS	
			TOTALS:	330,090	305,884	24,206	TOTALS:	324,900
						June to July	TOP Totals	325,100

29

C-6

INVOICE NO.	INV. DATE	HAULING PERIOD DATES	LOG DATES	ALLEGED TOTAL GAL.	ACTUAL GAL.	UNACCOUNTED GAL.	METER BEGIN READINGS	METER END
8815	8/16/2011	8/04 to 8/05/2011	NO	LOG	NO	METER	READINGS	
NO	INVOICE	FOR HAUL LOG	8/06-8/07/2011	66,572	66,572	0	924,100	990,672
8816	8/16/2011	8/11/2011	8/11/2011	71,700/MR	65,700	11,800	990,600	1,062,300
8816	8/16/2012	8/12/2011 <u>EVP</u>	8/12/2011	12,000	17,800/MR	17,800	*1,050,500	*1,068,300
8817	NO	INVOICE	NO	LOG	NO	METER	READINGS	
8818	NO	INVOICE	NO	LOG	NO	METER	READINGS	
		July-August	TOTALS:	150,272	150,072	█	TOTALS:	144,200
			July - August	TOP Totals	134,200	LATER	ADJUSTED TO	144,200
8819	8/30/2011	8/24/ to 8/25/2011	8/24/2011	59,700	59,800	1,000	1,068,300	1,128,000
NO	INVOICE	FOR LOG	8/30/2011	59,400	59,400	0	1,128,000	1,187,400
8820	NO	INVOICE	NO	LOG	NO	METER	READINGS	
8821	NO	INVOICE	NO	LOG	NO	METER	READINGS	
8822	9/07/2011	8/31 thru 9/01/2011	NO	LOG	NO	METER	READINGS	
8823	9/07/2011	9/05/2011	9/25/2011	53,400	77,400 MR	█	1,187,400	1,264,800
		Aug-Sept.	TOTALS:	172,500	196,600	25,000	TOTALS:	196,500

20



middle water hauling S-A 11

M 33

# BUI HAULING LOG

Date	Driver	Haul From	Haul To	Meter Read Start	Meter Read End	Gallons	CL2 at Source	CL2 at Drop
8-11	MZ	Home Depot	Middle	990600	996700	6100	0.74	0.46
"	"	"	"	996700	1002600	5900	0.60	0.49
"	"	"	"	1002600	1008600	6000	0.57	0.42
"	"	"	"	1008600	1014500	5900	0.61	0.47
"	"	"	"	1014500	1020400	5900	0.58	0.45
"	"	"	"	1020400	1026400	6000	0.62	0.51
"	"	"	"	1026400	1032500	6100	0.58	0.48
"	"	"	"	1032500	1038500	6000	0.62	0.52
"	"	"	"	1038500	1044500	6000	0.60	0.50
"	"	"	"	1044500	1050500	6000	0.64	0.54
"	"	"	"	1050500	1056500	5800	0.61	0.57
METER LEADS								
END				1062300				
START				990600				
				71700				
				65700				
				6,000 DIFFERENCE				
NOTE (THERE IS A 6000 GALLONS MISSING BTW HAUL 10+11 AND 11, 800 GALLONS BTW HAULS 10+11 WHICH IS ALSO DUPLICATED ON LOG FOR 8/12/11 AND TAKEN AS 12,000 GAL								

NOTE 65,767 gal. leads

NOTE (THERE IS A 6000 GALLONS MISSING BTW HAUL 10+11 AND 11, 800 GALLONS BTW HAULS 10+11 WHICH IS ALSO DUPLICATED ON LOG FOR 8/12/11 AND TAKEN AS 12,000 GAL



**PEARSON WATER CO.**  
P.O. BOX 193  
1120 RODEO RD.  
WILLIAMS, AZ 86046

RECEIVED  
AUG 16 2011  
BROOKE UTILITIES

**Invoice**

DATE	INVOICE NO.
8/16/2011	8816

<b>BILL TO</b>
BROOKE UTILITIES PAYSON WATER COMPANY P O BOX 8218 BAKERSFIELD, CA 93380

<b>DELIVER TO</b>
MESA, DELL  B/OS-01-7110.00

WATER HAULED	QUANTITY	RATE	AMOUNT
Payson to Mesa Dell 08/11/2011 thru 08/12/2011 19 hrs @ 150.00	19	150.00	2,850.00
Travel time 4 hrs @ 150.00	4	150.00	600.00
<b>Total</b>			<b>\$3,450.00</b>

p.d

11845699826

Pearson, Inc.

Aug 16 11 12:58p

*Provided by Respondents*

34  
19